



NPH State Bill List with Recommendations

From: NPH Staff
Date: June 1, 2010
Re: State Legislation

Bills organized below by categories of Housing Finance, Homelessness, Land Use, Tenants Rights, Redevelopment, and Miscellaneous

Housing Finance

AB 1865: Strickland

Local Housing Trust Fund Matching Grant Program

Modifies the state Local Housing Trust Fund Matching Grant Program by reducing the minimum-matching grant from \$1 million to \$500,000 for new trusts in counties above 425,000 people. A previous bill we supported set the minimum grant at \$500,000 for counties below 425,000 people.

NPH Position: SUPPORT: The New Housing Trust Fund program has been under utilized and where in this bill may encourage a jurisdiction to form a new housing trust fund to apply for these funds we should benefits for affordable housing.

Housing CA, CHC, and CCRH Support

Status: Passed Housing Committee and Appropriations, to Assembly Floor.

AB 2064: Perez

Prevent movement of funds from EHAP Operations Grants to General Fund

From the Committee Analysis:

“EHAP-OG is the only state-funded program that supports the operational costs of emergency shelters and transitional housing. Historically, the program has been funded from the General Fund at a level of \$4 million per year, providing approximately 10 percent of the overall funding for local homeless shelters. However, the Legislature and governor last appropriated funds to EHAP-OG in the 2007-2008 fiscal year. Governor Schwarzenegger vetoed this funding from the 2008-2009 budget, and did not include money for the program in his 2009-2010 proposed budget... With the veto of funding in the FY 08-09 budget and no funding in the FY 09-10 budget, this committee's understanding was that there was no money available for EHAP. However, the governor's budget for the 2010-2011 fiscal year includes a sweep of \$4.2 million from EHAP to the General Fund. This money was apparently in the fund even as the EHAP-OG program effectively was being eliminated, but the Legislature was not made aware of its existence.”

This bill would require the Department of Finance (DOF) to determine how much money is available in the Emergency Housing Shelter Operations Grant Account and would require HCD to issue a NOFA for EHAP no later than 30 days after this bill is enacted indicating the amount available for the NOFA, as determined by DOF.

NPH Position: Support

Housing CA Supports.

Status: Passed Assembly, in Senate for Committee Assignment. Now an urgency bill requiring a two-thirds vote.

AB 2579: Evans

Master Plan for Infrastructure Financing

Would create the Master Plan for Infrastructure Financing and Development Commission and charge it with developing a plan for building and maintaining the state's homes, transportation, education, and water infrastructure through 2050. The concept is based on the treasurer's December 2009 debt report.

Sponsor: State Treasurer Bill Lockyer

NPH Position: SUPPORT: It is the long term goal of the Treasurer to address the long term needs of California and to recognize what will be necessary to support this infrastructure.

Housing CA Supports.

Status: Passed Local Government, referred to Appropriations.

Homelessness

AB 2326: Bass

Reentry Advisory Committee

The Second Chance Act of 2007 is a federal funding source that was identified in Housing California's recommendations for funding the state should be applying for. It could also augment the Integrated Services for Mentally Ill Parolees program that helps provide for wraparound services for mentally ill parolees when they exit prison.

NPH Position: SUPPORT: By making these changes to the Reentry Advisory Committee the state will be eligible for more federal funds and we do not take issue with any of the changes.

Housing CA Supports.

Status: Passed Committee on Public Safety and Appropriations, to Assembly Floor.

Land Use

AB 2425: Hagman

City of La Habra Heights: Housing Need

AB 2425 exempts the City of La Habra Heights from receiving a RHNA allocation in the next planning period. According to the staff, the city's mayor says the city is fully built-out and can't meet their latest allocation. The city submitted its housing element to HCD on February 16, 2010, and it's under review.

NPH Position: OPPOSE

Housing CA Opposed.

Status: Did not pass first hearing with Housing Committee.

SB 1445: DeSaulnier

Increased fees for Sustainable Communities Strategies Planning

This bill increases by \$1 the fee to register a vehicle to pay for regional land use planning activities. This bill also makes changes to the membership and duties of the Office of Planning and Research's Planning Advisory and Assistance Council in order to facilitate coordination between regional blueprint plans, state growth and infrastructure plans.

NPH Position: Support

Sponsor: California Association of Councils of Government
Housing CA Supports.

Status: Passed Local Government Committee and Transportation and Housing Committee and Appropriations, will move to the Senate floor.

SB 1189: Correa

City of Irvine, RHNA appeals process

This bill prohibits the Southern California Association of Governments (SCAG) and any of its delegated subregions from allocating to a city or county a total RHNA number that, as a percentage of the aggregate RHNA allocation for the respective subregion, is more than 20% greater than the city's or county's population, as a percentage of the aggregate population of the subregion. The bill also subjects the RHNA process in all regions to judicial review.

Some reviewers have suggested that HCD's newly reconvened Housing Element Working Group should review, discuss, and seek consensus on the issue this bill raises before the bill is moved.

NPH Position: Oppose

Status: Each hearing set thus far has been cancelled.

Tenant Rights

SB 1149: Corbett

Improving Tenant Foreclosure Protections

SB 1149 makes changes to landlord-tenant law in cases where tenants are being evicted due to a foreclosure on their residence. The bill would generally require a form cover sheet whenever an eviction notice is served within one year after a foreclosure explaining the tenant's rights and responsibilities. Current law states that tenants in foreclosure must be given 90 days notice before eviction. The bill addresses tenants who are asked to leave before this time, but are afraid to raise the issue of inadequate notice for fear of a mark on their rental history. The bill would require the foreclosing bank to prevail for a challenged eviction case to be reported. The bill provides an exception for notices based on nonpayment of rent after a new rental agreement has been signed.

NPH Position: Support

Sponsors: Western Center, CA Rural Legal Assistance Foundation, and CA Reinvestment Coalition

Housing CA Supports. No registered opposition.

Status: Passed Judicial Committee and Senate Floor, moved to Assembly Judicial Committee.

Redevelopment

AB 2406: Blakeslee

Allowing Pooled Redevelopment Funds

Allows redevelopment agencies in adjoining cities to form a joint powers authority (JPA) for the purpose of pooling their Low- and Moderate-Income Housing (L&M) Funds to construct, rehabilitate and preserve extremely low-income affordable housing units. The bill was suggested to allow the contiguous cities of Arroyo Grande and Grover Beach to pool redevelopment funds to be used for a project that serves homeless persons.

NPH Position: Support

Status: Passed Assembly, referred to Senate Transportation and Housing Committee.

Miscellaneous

AB 2337: Ammiano

Public retirement system: investments: predatory investment practices.

Prohibits the boards of public pension or retirement systems from investing public employee retirement funds in a company with business operations engaged in predatory investment practices that rely on, or result in, the displacement of persons residing in rent-regulated housing in order to generate profits to investors. Requires the board to establish a policy in regard to investing in rent-regulated housing.

NPH Position: Support

Co-Sponsored by Tenants Together and East Palo Alto Rent Coalition

Status: Passed Committee on Public Employees, Retirement and Social Security and Appropriations, moving to Assembly Floor.

AB 2492: Ammiano

Property Taxation: Change in Ownership

Relates to the applicability of property tax laws in circumstances where the transfer of ownership interests in a corporation, partnership, limited liability company, or other entity results in a change in ownership of the property owned by that entity. Specifies that when ownership interests are transferred, the property has changed ownership in proportion to that portion of interests in the entity that were transferred. Makes changes concerning the property owned by a publicly traded company.

This bill attempts to close the major loophole in the tax system that allows an avoidance of property reassessment even where 100% of a business entity changes ownership.

NPH Position: Support

Sponsored by California Tax Reform Association

Status: Passed Rev and Tax Committee, moving to Appropriations.

“Watch” Bills

We will track the progress and gather more research on these bills to keep the Board and the Legislative Issues Committee informed.

Bills organized below by the categories of Housing Finance, Land Use, Property Management and Redevelopment

Housing Finance

SB 1216: Cedillo

Low Income Housing Credit Substitution

SB 1216 changes the allowable ratio of state and federal LIHTC and allows LIHTC awardees to request that TCAC substitute state credits for federal credits. This authority would only exist when TCAC has a surplus of state credits. According to the author, some awardees have interested investors who would prefer state credits over federal. This would allow the developer to use 100% State Credits.

Status: Passed Transportation and Housing Committee and Revenue and Taxation Committee, referred to Appropriations.

SB 958: Lowenthal

National Housing Trust Fund Agency

As introduced February 5th, designates the Department of Housing and Community Development as the administering agency for any funds received through the Federal Housing Trust Fund, with up to 10 percent spent through Cal-HOME and the rest through Multifamily Housing Program.

Housing CA Supports.

Status: Housing Committee hearing on 6/16/2010.

AB 1898: Caballero

Infrastructure Project List

Requires the Business, Transportation, and Housing Agency to generate a list of shovel ready infrastructure projects that are currently unfunded or underfunded. The list would be categorized according to the projects' necessity, funding required, how quickly workers can be employed, and the number of jobs created.

Housing CA is Support if Amended

Status: Waiting to be heard in committee.

AB 2536: Perez

Prop. 1C Homelessness programs

As introduced February 19th, expresses the intent of the Legislature to enact legislation

amending the provisions of law related to Prop 1C programs funded under the act in furtherance of the act's goals as they relate to homelessness.

Would move EHAP-Capital Development funds to MHP-Supportive Housing to address under utilization of the EHAP-CD funds.

Housing CA Supports.

Status: Passed Housing Committee and Appropriations, moving to Assembly Floor.

AB 2293: Torres

Funding during construction

Gives the Department of Housing & Community Development (HCD) authority to contract with construction lenders or reserve funds for awards for the Multifamily Housing Program (MHP), Transit-Oriented Development Program (TOD), and the Joe Serna, Jr. Farmworker Grant Program (Joe Serna).

Specifically, this bill :

- 1) Provides if HCD determines that it has sufficient funds to meet commitments to projects that have relied upon an estoppel certificate to start construction, HCD may do either of the following:
 - a) Contract with a construction lender to make permanent loan funds available for a project during the construction period for a MHP, TOD, or Joe Serna project that has received an award; and
 - b) Reserve or set-aside funds for a project as of the date of the closing of the construction loan for a MHP, TOD, or Joe Serna project that has received an award.
- 2) Requires if HCD contracts with a construction lender to co-engage a construction inspector with the construction lender or utilize the report or the construction inspector engaged by the construction lender.
- 3) Requires HCD to develop a procedure for determining which projects qualify to have funds escrowed.
- 4) Provides HCD may not offer this option to projects that received awards after December 18, 2008 until determining that there is enough bond funding for all projects of the same class of tax-exempt or taxable bonds projects that received an award prior to December 18, 2008.
- 5) Allows the HCD to charge a fee to cover the cost of performing the duties associated with the implementation of this Act.

Support: Housing California (sponsor)

Status: Passed Housing Committee and Appropriations, moving to Assembly Floor.

Land Use

AB 1867: Harkey

Changes Definitions of Substantial Rehab for Housing Element purposes

Housing CA had been opposed to AB 1867 as introduced, because it changed the standard for eligible rehab to meet RHNA requirements from “unfit for human habitation” to “substandard” buildings. Based on Housing CA’s and others’ opposition, the author stripped out that change and reverted back to the original code section.

In its amended form, AB 1867 addresses the following situation: The City of San Juan Capistrano (sponsor) would like to make use of a provision in current law that allows a city or county to meet up to 25% of its share of RHNA by converting existing housing to low- and very low-income housing. Current law requires the market rate homes to be rentals and be in complexes with four or more homes. The homes the city wants to convert are owner-occupied and are in triplexes. As amended, AB 1867 allows a city to count towards its RHNA owner-occupied market-rate homes that are converted into affordable rental homes and homes located in triplexes.

Status: Passed Assembly Housing Committee and Assembly Floor. In Senate Transportation and Housing Committee.

Property Management

AB 2327: Harkey

Affordable Housing: Risk Retention Pool

Allows "affordable housing entities" to join a self-insurance pool for property damages, tort claims, and liability claims against employees, board members, volunteers, etc. The pool shall not be regulated as "insurance." The bill defines "affordable housing entities" as: a) housing authorities; b) nonprofits; c) partnerships or LLCs affiliated with (a) or (b) and meeting specified conditions.

Sponsor: Housing Authorities Risk Retention Pool

Status: Passed Assembly, referred to Senate for assignment.

Redevelopment

AB 2043: Torrico

Redevelopment Funds: Mortgage Assistance

AB 2043 will be amended to allow redevelopment agencies to use their 80% funds to make \$75,000 soft second loans to homeowners outside the project area who have received a mortgage modification under the federal Home Affordable Modification Program and have a mortgage payment that exceeds 31 percent of gross income. Asm. Torrico held a hearing in December at which One LA testified about a pilot project using the 80% for this purpose inside the project area; now he wants to expand it to areas

outside project areas.

Status: Passed Housing Committee and Local Government Committee, referred to Appropriations.

AB 2531: Fuentes

Expansion of Redevelopment Funds for Green Uses

As introduced February 19th, expands eligible activities for "redevelopment" to include those that support the provision of employment opportunities. This primarily includes the construction, retrofit, lease, or use of facilities within redevelopment project areas for industrial or manufacturing uses and the provision or replacement of machinery and equipment in those facilities, provided the construction, retrofit, lease or use, or the products manufactured are intended to retain or expand the number of persons employed in industrial or manufacturing jobs and achieve any of the following:

- (1) Reduce emissions of greenhouse gases.
- (2) Increase the use of clean, renewable, or alternative energy.
- (3) Increase energy efficiency.
- (4) Increase the use of recycled and locally sourced materials.
- (5) Increase efficiency in water, wastewater and stormwater systems.
- (6) Increase the efficiency of construction methods.
- (7) Reduce demolition and construction-induced pollution and waste material generation.
- (8) Improve indoor air quality.
- (9) Reduce building operation costs through increased operation and maintenance efficiency.
- (10) Reduce public infrastructure costs related to development.

Expands redevelopment activities to also include:

- 1) job training, job placement, apprenticeship and preapprenticeship programs, and services relating to construction or to operations of businesses in project areas, including any debt service for these activities.
- 2) Providing loans, loan guarantees, and other financial assistance to property owners and businesses in a project area for the construction, retrofit, lease or use of a facility described above.
- 3) Providing loans, loan guarantees, and other financial assistance to property owners and businesses in or relocating to a project area to retain or expand employment in the project area.

The bill would additionally authorize the Redevelopment Agency of the City of Los Angeles, to prepare applications for, and execute, economic development programs, to accept public or private assistance, and to expend those funds for any economic development activities inside or outside a project area within the territorial jurisdiction of the agency.

Status: Passed Local Government Committee and Housing Committee and Appropriations, moving to Assembly Floor.